

IN THE UNITED STATES BANKRUPTCY COURT
DISTRICT OF SOUTH CAROLINA

In re:

Barnwell County Hospital,

Debtor.

Case No.
Chapter 9

**DECLARATION OF CHARLES LOWELL
JOWERS, SR.**

I, the undersigned Charles Lowell Jowers, Sr., being duly sworn, depose and state on oath as follows:

1. I am the Chairperson of the Board of Directors (the "Board") of Barnwell County Hospital ("Debtor"). In my capacity as Chairperson of the Board, I am personally familiar with the operations of the Debtor and its financial condition.

2. The Debtor was created in 1953 by act of the South Carolina Legislature to provide hospital facilities to the residents of Barnwell County (the "County").

3. By Ordinance No. 1988-35 adopted September 26, 1988, as amended by Ordinance Nos. 1993-62, 1999-139, and 2003-178, the County declared that the Board should consist of 9 members, and provided the Board with the authority and responsibility to make all rules and regulations for the operation and management of the Debtor. Appointments on the Board are made by Barnwell County Council, with six individual representatives being recommended by County Council members, two representatives being from the Barnwell County Hospital Medical Staff and one member being appointed by direct election of the medical staff. All members of the Board recently resigned, and therefore the Barnwell County Council is currently acting as members of the Board.

4. The Debtor operates as a hospital located in the city of Barnwell, SC on 811 Reynolds Road, Barnwell, South Carolina. Debtor is licensed for 53 beds but currently operates 31 beds with both private and semi-private rooms. The Debtor has 2 general surgical suites and an Endoscopy room with three recovery bays. The Hospital's imaging department offers 2 radiographic rooms and a portable x-ray machine, ultrasound, mammography, 16 slice CT scanner, mobile MRI services on a weekly basis, and a C-arm for surgical and endoscopic procedures. The Debtor also operates a Critical Care Unit with 3 ICU beds and 4 step-down beds, a sleep center with 2 beds, Cardiovascular Services, Behavioral Health, and Rehabilitation Services. The hospital's ER is a 7 bed unit.

5. The Debtor also owns and operates three provider-based Rural Health Clinics in the southwestern rural area of South Carolina serving the communities of Blackville, Williston, and Wagener. These Rural Health Clinics provide primary health services, basic lab services, emergency care services, after hours coverage and makes arrangements for patient hospital specialty care.

6. The Debtor provides general medical and surgical care in inpatient, outpatient, and emergency room service areas. The Debtor has 14 physicians on active medical staff and 13 are Board Certified.

7. The Debtor has been operating at a loss. The net revenue for year-to-date ending July 31, 2011 was \$11,795,845. This was \$769,750 less than Debtor budgeted. Year-to-date ending July 31, 2011, Debtor has operated at a loss of \$1,020,160.

8. The Debtor does not have any outstanding bonds or bond obligations. The debts of the Debtor consist of ordinary course of business notes with financial institutions and unsecured trade debt.

9. The Debtor has been able to stay in business only because the County has provided funding to the Debtor. The Debtor has been informed by the County that the County does not have the ability or intent to continue funding the operating losses of the Debtor in the future. Even with the County providing supplemental funding, the Debtor has struggled to pay its debts in the ordinary course of business.

WITNESS my hand this 3 day of October, 2011, at Barnwell, South Carolina.

Charles L. Jones Jr.

Sworn to and subscribed before me this 3 day
of Oct. 2011.

M. L. Dobbins
Notary Public, State of South Carolina
My commission expires _____.

M. L. DOBBINS
Notary Public, State of South Carolina
My Commission Expires 5/17/2020